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IP Communications Pricing

generation d

- ⌘ 3 Main elements

- NRR, MRR and Usage Based

- ⌘ Installation charge for Circuit

- ⌘ Bandwidth Charge

- ⌘ Managed Service Charge

- ⌘ Usage Based 'PSTN' Charge

- ⌘ Voicemail based on 'Users'

- ⌘ One off fee for service implementation

- ⌘ Future added value services will be charged as a 'premium' based on users, or site

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generation d

IP Communications Roadmap



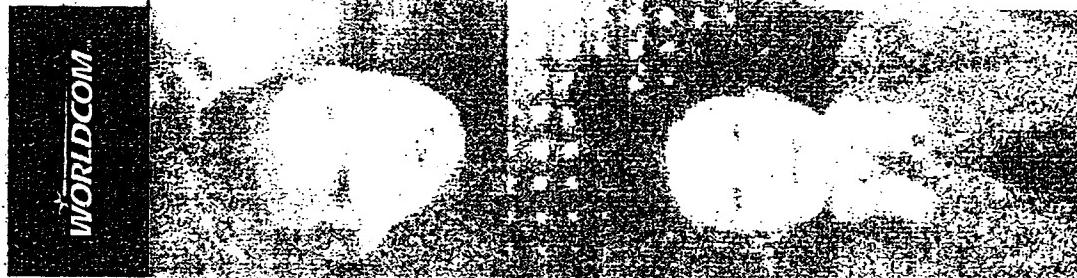
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Future Value Added Services generation d

IP Communications allows customers to migrate to new future services

- Unified Messaging
- Network Conferencing
- Instant Messaging and Presence
- Desktop SIP



PH 00202

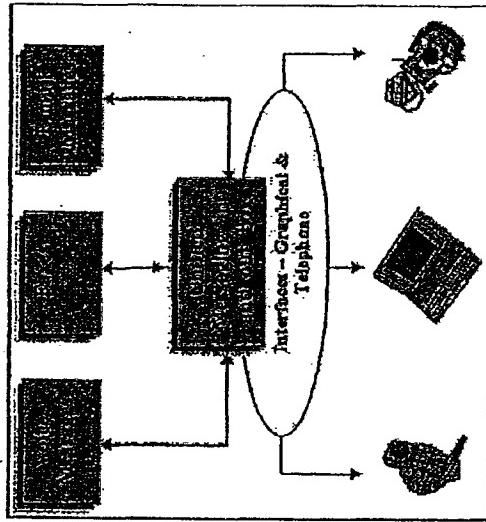
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Unified Messaging

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- ⌘ The integration of messaging systems that allow universal access

- Voice
 - ⌘ Fixed and Mobile
- Fax
- Email



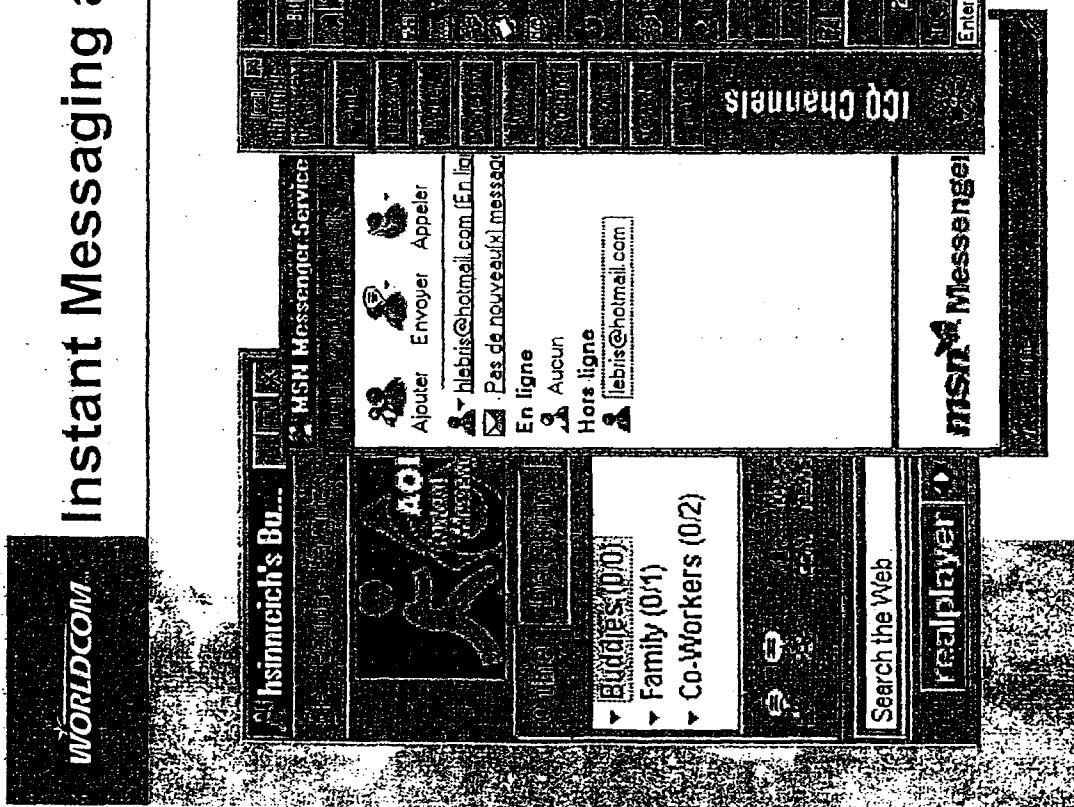
- ⌘ Users can receive, manage, and respond to messages using a common infrastructure

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Instant Messaging and Presence generation d



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Instant Messaging and Presence

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Polite calls are possible:

I'm user online?

Willing to take calls?

In another call?

May I join?

Avoid unsuccessful calls

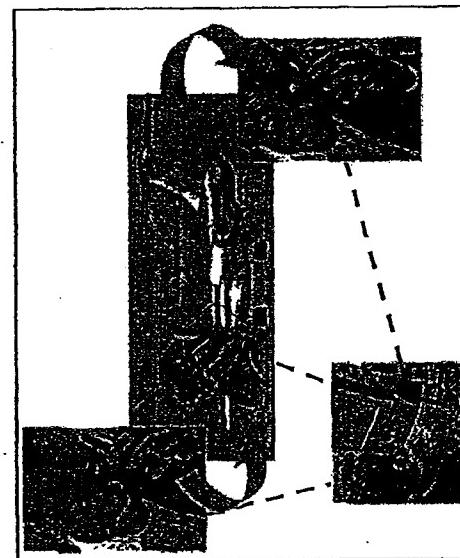
Location independence

Private Call Queues

ACD

Intelligent routing

Video, data



Promotes a new way of communicating

PH 00205

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Network Conferencing

generation d

Microsoft NetMeeting - 1 Connection

Current Call

Directory

Hervé LE BRIS
REDA MERZOUK

Net Sharing
Net Sharing

Initiated : Chat : in use by 2 others!

Hervé LE BRIS : Euh... est-ce que
Hervé LE BRIS : alle ?
Hervé LE BRIS : Beaux dessins !
Hervé LE BRIS : C'est donc Sabi !
Hervé LE BRIS : pourquoi tu n'utilises pas le chat ?
Hervé LE BRIS : Je le peux mais j'ai vu de bix dessins se faire...
Hervé LE BRIS : Ok.
Hervé LE BRIS : J'ai un microphone et c'est que ... m'entends-tu ça je parle ?
Hervé LE BRIS : (rire) Sab ou Ludo sont de grand spécialistes
Hervé LE BRIS : le n'a pas mis le son
Hervé LE BRIS : OK "pas grave" Merci en tout cas pour l'échange il va rentrer dans la
postière de un pouvoir quel !

REDA MERZOUK : eeeeee encore
REDA MERZOUK : On l'entend

Everyone In Chat

Available / Busy / Away

Microsoft NetMeeting - 1 Connection

Current Call

Directory

Hitachi

Current Call

Bureau

Tessa
Sandy
Nicolas
Doug
Andrew
Richard
Bobby
Anne
Hamilton
Lee
David
sheila.sedna@qwest.com
karim.lamouri@qwest.com
louis.young@qwest.com
douglas.miller@qwest.com
andrew.lis@qwest.com
richard.legrand@qwest.com
robert.lake@qwest.com
sophie.schachter@qwest.com
christian.tess@qwest.com
lee.noff@qwest.com
hitachi.david@qwest.com
sheila.sedna@qwest.com
karim.lamouri@qwest.com
louis.young@qwest.com
reda.merzouki@qwest.com
louis.lis@qwest.com

Current Call

Participants

Karen
Irene
Rambone
Jeff
Suzanne
McGarry
Lindford
Durnan
Lyfe

PH 00206

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Desktop SIP

generation d

SIP Phones

Centrex

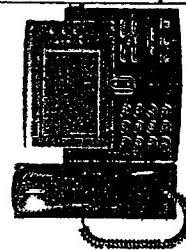
- Voice mail included
- Phone portability
- Mobility
- Change for business/changes
- Location of 'new' site expansion

Dynamically registration

Establishing the
User's "presence"

- Routing and filters

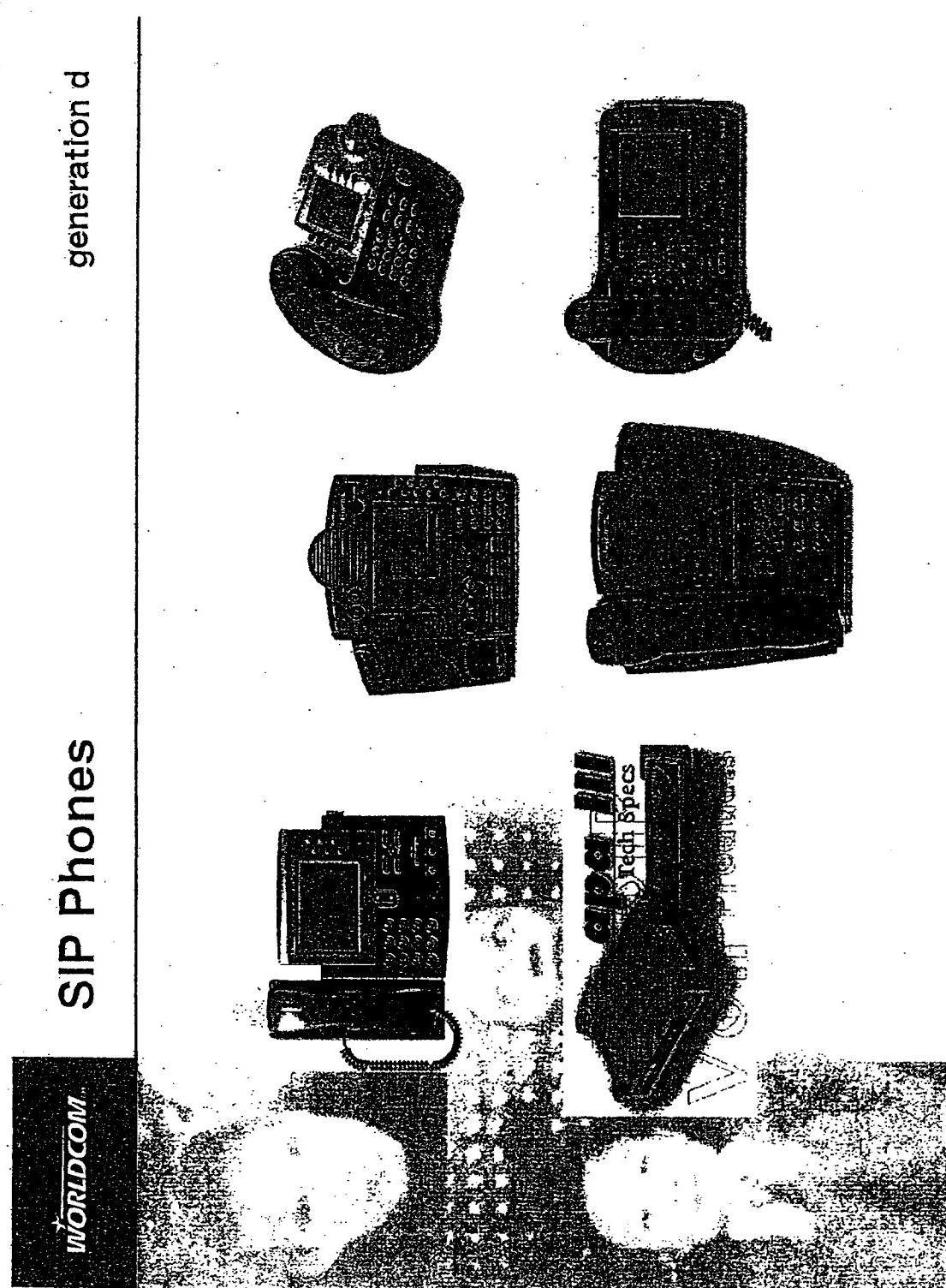
CISCO



PINGTEL

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SIP Phones

MitelIDcom

PH 00208

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How big is the Market?



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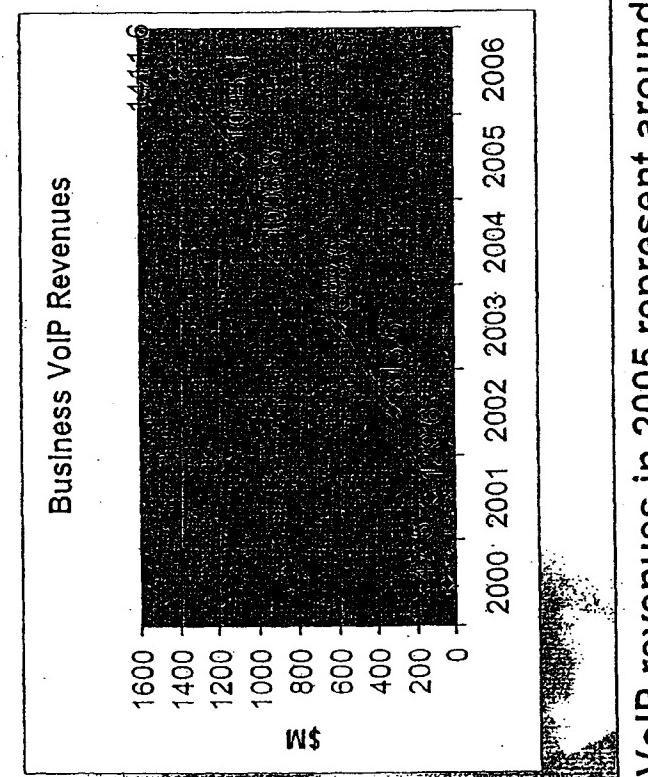
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VoIP Revenue forecasts in W. Europe

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Main trends:

- * Low cost/price will continue to be the main driver longer than originally anticipated due to economic slowdown and renewed drives toward efficiency/productivity.
- * Data/voice convergence and/or value-added services will drive a significant minority (20-30%) of the market post-2001

VoIP revenues in 2005 represent around 2% of the W. European traditional voice market. Revenues today are around \$130m in W. Europe.

PH 00210

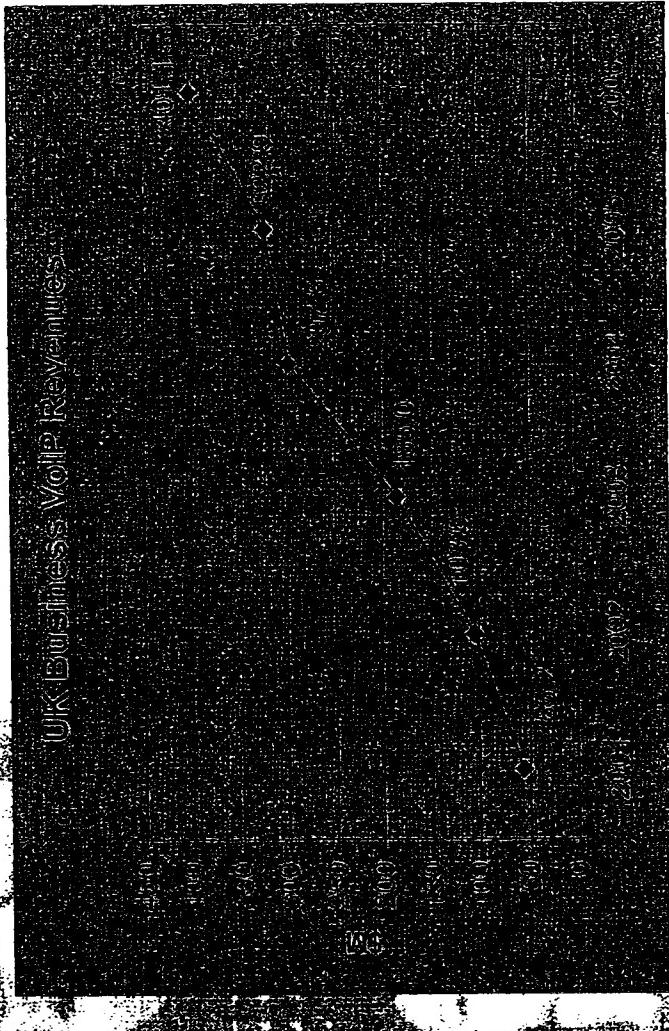
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Worldcom

Country Trends:



- * The UK market for business VoIP revenues is forecast to reach \$401m by 2006, having experienced a CAGR of 49%. Competitors active in this market include BT (CallServe Communications), Cerbernet, Alpha Telecom, & Colt



PH 00211

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Country Trends:

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generation d

Germany Business VoIP Ventures

- * The German market for business VoIP revenues is forecast to reach \$98m by 2006.
- * Main competitors are KPN and Mannesmann

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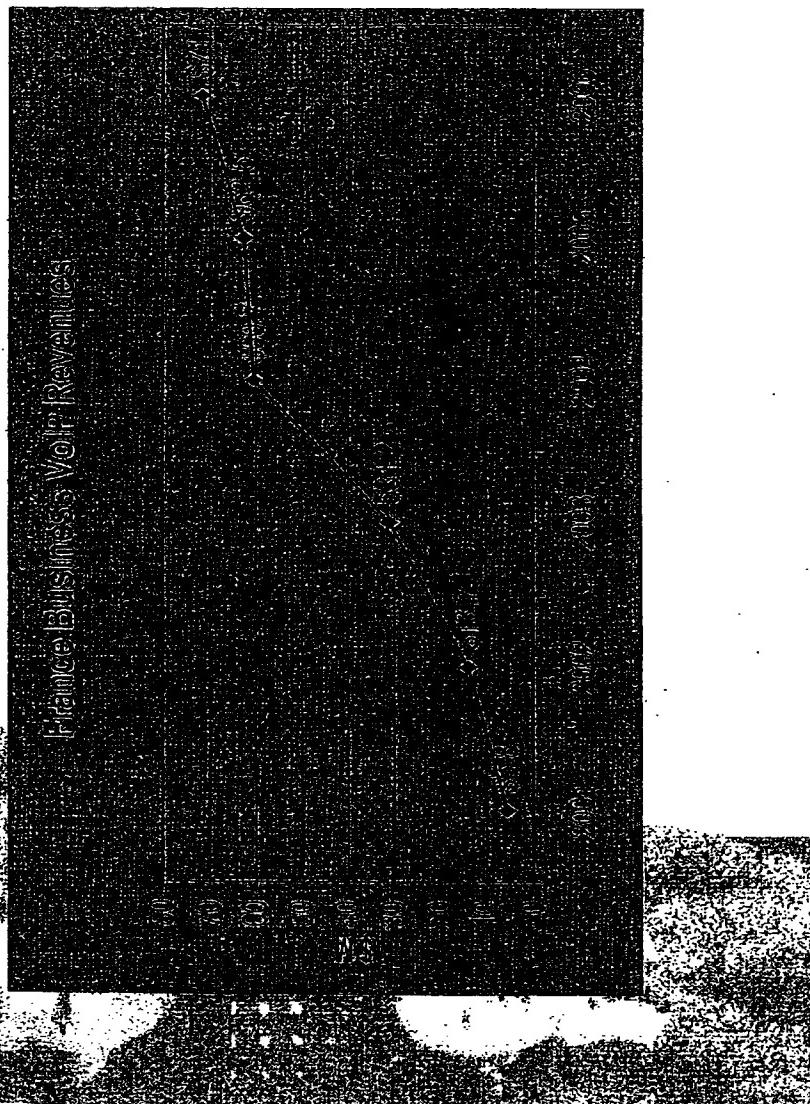
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Country Trends:

generation d

- * The French market for business VoIP revenues is forecast to reach \$71.5m by 2006. Competitors active in this market include, France Telecom, Global One and lpw@y



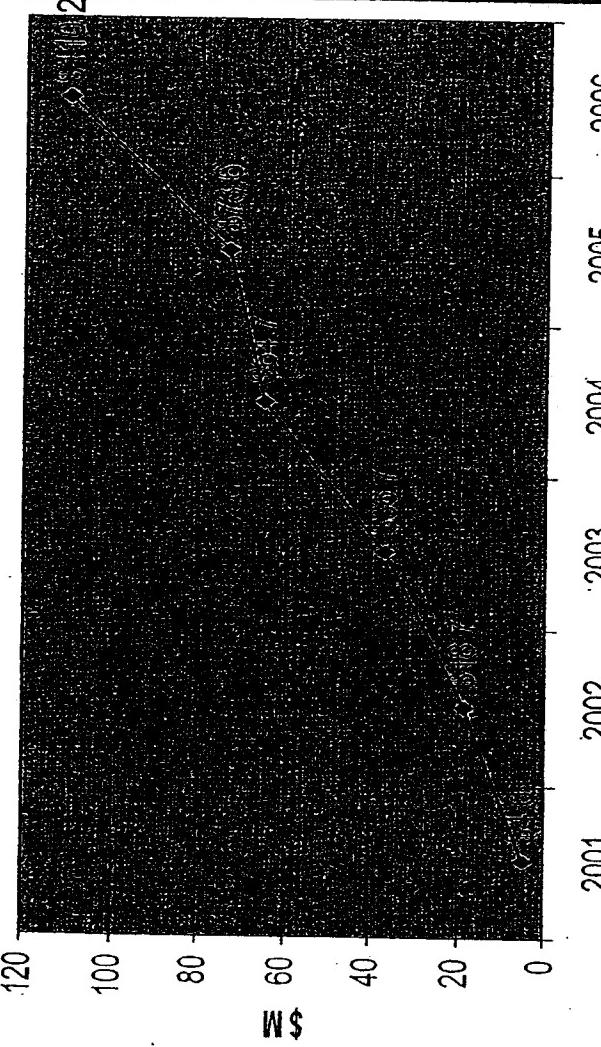
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Country Trends:

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* The Dutch market for business VoIP revenues is forecast to reach \$110m by 2006. Main competition in this market is KPN

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What are the analysts saying about VoIP?

generation d

"This new industry is less than five years old and is now operating in 'Internet time', and shows every sign of growing and evolving as fast as the Internet itself." Ovum

Factors driving slow growth in enterprise VoIP services include potential economic, cultural and technological barriers. The typical PBX is replaced only once every ten years and only then with a **resistance probe**.

VoIP Telephony is now shifting position; no longer running as underground parallel technology, it has become a main stream proposition" IDC

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Who are our Competitors ?



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EMEA Competitor Overview

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Cisco AVVID

Cisco's IP PBX

- Uses premises-based Call Manager software for routing/features
- Provides applications in conjunction with VAR's
- ⌘ IP Communications is Network based

BNI Ignite

IP Communications to the desktop

- Only available in the UK

- IP Communications has wider geographic coverage
- More flexible pricing for the customer

BT Wireless

Managed IP PBX OR LAN based packages

- Based on IP-VPN

- ⌘ IP Communications extends to off-net PSTN termination

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Why WorldComsm IP Communications?

IP Communications leverages your existing data network, centralizes your voice environment, and lays the foundation for future enhancements.

"Yankee Group believes that WorldCom has dedicated the most resources toward the commercial deployment of voice over IP services at an earlier stage than most competitors."

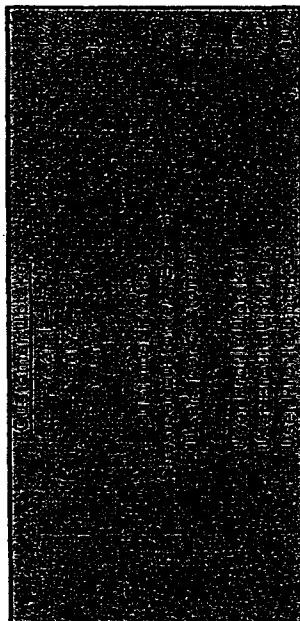
Source: Joe Gaggin, Yankee Group, August 2001

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total New IPComCustomers Per Year	2	4	12	9	8	8	9	16	8	12	13	13		
Total Cumulative IP Com Customers	2	6	18	27	35	43	52	68	76	88	101	114		
Number of New Voicemail Customers	1	1	4	3	3	3	4	6	3	5	5	5		
Number of Cumulative Voicemail Customers	1	2	5	8	14	17	21	27	30	35	40	46		
Addressable number of New voicemail users	178	355	1,066	799	947	947	1,066	1,894	947	1,421	1,639	1,639		
Addressable number of Cumulative voicemail Users	178	533	1,598	2,398	4,144	5,091	6,157	8,051	8,998	10,419	11,958	13,498		



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Welded joints										Soldered joints									
100% of the joints are welded					50% of the joints are welded					100% of the joints are soldered					50% of the joints are soldered				
Welded joints		Soldered joints		Welded joints		Soldered joints		Welded joints		Soldered joints		Welded joints		Soldered joints		Welded joints		Soldered joints	
11	14	14	14	15	15	13	12	19	12	16	16	16	18	17	20	18	20	20	
125	139	153	168	183	196	208	227	239	255	271	289	306	326	344	363	363	363	363	
4	6	6	6	7	6	6	6	9	6	8	8	9	8	10	9	10	10	10	
50	56	61	67	91	98	104	113	119	127	135	144	153	163	172	182	182	182	182	
1,301	1,656	1,654	1,772	2,215	1,919	1,770	2,807	1,772	2,363	2,363	2,658	2,510	2,953	2,657	2,953	2,953	2,953	2,953	
14,799	16,455	18,108	19,880	27,066	28,985	30,755	33,562	36,334	37,697	40,060	42,718	45,229	48,182	50,839	53,792	53,792	53,792	53,792	

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EXHIBIT Y